

**Estimates of House Price Sensitivities from
“Housing Wealth Effects: The Long View”**

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In our paper “Housing Wealth Effects: The Long View,” we propose an instrumental variable for local house price variation that interacts city-level historic house price sensitivity with regional change in house prices in a regression with city and region-time fixed effects.

The Stata data file `Gmns_gammas.dta` includes the estimated city-level house price sensitivities when we pool across years for the 380 CBSAs in our analysis. These city-level sensitivities are the γ_i coefficients in the ancillary regression – equation (3) in the paper – which we estimate before we run our main IV estimation.

In our baseline specification in the paper, we do a leave out on both city and time when we create the instrument. But we show in the paper that we obtain similar results without the leave out on time. Consequently, the coefficients reported here do not leave out on time.

`Gmns_gammas.dta` includes three variables:

1. `Cbsa`: The CBSA code using 2013 CBSA definitions.
2. `Cbsa_name`: The CBSA name.
3. `Gam`: The estimated house price sensitivity.

To use this as an instrument, merge this dataset into a CBSA-level file. Then create an instrument that interacts `gam` with region-level or national changes in house prices. Be sure to include city and region-time fixed effects so that variation in the gamma and in national or region-level changes in house prices are absorbed and only the interaction is used for identification.